

U.S. ARMY ENGINEER DISTRICT, BUFFALO
1776 Niagara Street, Buffalo, NY 14207

Standard Operating Procedure

CELRB-RM-F SOP No. 374-2

22 April 1998

SALE AND/OR DISPOSAL
OF CAPITAL ASSETS

Purpose: To define the responsibilities and procedures of Finance and Accounting personnel and the Property Book Officer (PBO) in Logistics with regards to the notification of capital asset disposal and proceeds of sales and the CEFMS posting of retired and sold capital assets. This SOP does not address APPMS procedures.

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References:

1. ER 700-1-1, USACE Supply Policies and Procedures
2. ER 37-2-10, 1-13, Property Accounting, and 15-17,18,19,21, Asset Disposals.
3. CEFMS User Manual for Asset Management (Section 12)

Definitions:

1. Capital Asset -- property, real and personal, of a durable nature which are capitalized in the asset accounts. As of FY94, the criteria for a capital asset are: a useful life of two years or more and a unit acquisition cost of \$25,000 or more.
2. Retired or Excessed Capital Asset -- property that is retired from service and dismantled, destroyed, transferred, sold, or otherwise disposed of.

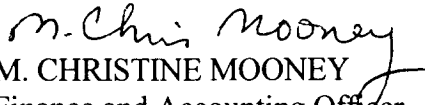
Responsibilities of PBO:

1. The PBO is the first person to see a property item that is being excessed or retired. Upon receipt of the property and Eng Form 4900-R and NCB 896R, the PBO should determine if the item is a capitalized asset. These items will have to be reported to Finance and Accounting.
2. The PBO will report to Finance and Accounting monthly (CC Mail is acceptable) on any capital assets that have been retired or excessed. Negative reports are required.
3. The PBO is responsible for ensuring that any proceeds from sale by DRMO are forwarded to the district for collection. The PBO must notify Finance and Accounting of the description of the asset sold, the bar code, and the amount of proceeds.

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Responsibilities of F&A:

1. F&A must make the necessary entries in CEFMS to discontinue depreciation, plant increment, and insurance charges within 30 days of notification of retirement or excessed capital assets. A copy of the CEFMS retired asset report will be furnished to the PBO for verification.
2. F&A will record collections received from sale of assets in the appropriate funding account within five days of receipt of check in the district.


M. CHRISTINE MOONEY
Finance and Accounting Officer